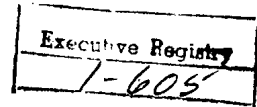


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NATIONAL SECURITY COUNCIL

WASHINGTON



May 29, 1950

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: Supplemental Budget Estimate for the
Information and Education Exchange
Program

The enclosed memorandum by the Acting Secretary of State on the subject is submitted herewith for consideration on an urgent basis by the National Security Council.

It is requested that each Council member and the Secretary of the Treasury indicate his action with respect to the recommendation in the next-to-the-last paragraph of the enclosure by completing and returning the attached memorandum form at the earliest practicable date.

JAMES S. LAY, Jr.
Executive Secretary

cc: The Secretary of the Treasury

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DEPARTMENT OF STATE
WASHINGTON

May 26, 1950

MEMORANDUM FOR MR. JAMES S. LAY, JR.,
EXECUTIVE SECRETARY, NATIONAL SECURITY COUNCIL

Subject: Supplemental Budget Estimate for the
Information and Education Exchange
Program

The President, in his speech to the American Society of Newspaper Editors, directed the Secretary of State to plan a strengthened and more effective national propaganda effort. In order to carry out a part of that effort, the Department of State has prepared a supplemental budget estimate for the information and educational exchange program. This appropriation request represents support for a propaganda weapon in our effort to win the cold war. If we should fail to win the cold war the United States, as a result of the approval of this budget, would be materially strengthened in its preparation for psychological warfare in a greater emergency.

The force to be brought to bear by this planned effort will be directed at 28 high priority countries which are now subjected to or threatened by the growing force of Communism. This effort to influence public opinion and action in these critical areas will be taken on the basis of selection of more important target groups in each country and the most effective media to be used in informing and influencing those groups. The total estimate represents a plan for carrying out the "campaign of truth" as called for by President Truman in his address to the American Society of Newspaper Editors.

The four areas with which this budget deals are: (1) the Hard Core of Soviet communism - U.S.S.R. proper; (2) the Iron Curtain or "captive" countries; (3) the Crucial Periphery - those countries which because of their geographical position and their weak or indecisive governments are or could easily become the next targets for Soviet aggression; (4) the Danger Zone - countries which at present are subject to harassment rather than conquest, which are weak or unstable, and whose fall would constitute a severe blow to U. S. security interests.

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The countries included in each zone are as follows:

<u>Hard Core</u>	<u>Iron Curtain</u>	<u>Crucial Periphery</u>	<u>Danger Zone</u>
U.S.S.R.	Albania	Burma	France
	Bulgaria	Indo-China	Italy
	China	Thailand	India
	Czechoslovakia	Malaya	Pakistan
	East Germany	Afghanistan	Ceylon
	Hungary	Iran	Indonesia
	North Korea	Finland	Philippines
	Manchuria	Greece	
	Poland	Turkey	
	Rumania	Yugoslavia	
	Tibet	West Germany*	
		Austria*	
		South Korea	
		Japan*	
		Trieste*	

*Funds for programs in these countries are carried in other appropriations.

The program is highly fluid by nature and necessarily so; within the space of a few weeks the geographical composition of the areas of concern may shift, priority targets may change, target media relationships may be altered.

No additional funds are being requested at this time for countries other than those in the first four zones of concern. Funds provided in the regular 1951 budget for other areas are sufficient only for a minimum holding operation. The program in these areas however will be augmented by the availability of a substantially larger amount of basic media material prepared initially for use in the first four zones. Finally, there is a physical limitation on the rate to which the USIE program can be expanded. It is therefore necessary to take a calculated risk with countries for which the time factor does not seem as urgent at this moment.

The budget estimate which has been prepared provides 82.3 million additional funds for operations and 47.6 million for the construction and improvement of radio broadcasting facilities. An additional item will be added to this budget for administrative support.

The Congressional calendar requires an extraordinary handling of this budget request. It must necessarily be handled in rather

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broad terms of principle and it is recommended that the National Security Council endorse this supplemental budget request as being in the interest of national security.

With this in mind, the Department of State is submitting this paper for circulation to the members of the Council on an urgent basis.

/s/ JAMES E. WEBB

JAMES E. WEBB
Acting Secretary

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